Draft

Working Capital Fund Board Meeting
Minutes of the Meeting
May 23, 2007

I. Introductions

Howard Borgstrom called the meeting to order. He introduced the background from the prior meeting, the need to organize working groups, and the purpose of this meeting, that is, to hear the proposals of the working groups.

II. Approval of Minutes of the April 25, 2007 meeting.

The Board approved the minutes without comment

III. Working Group Status Reports

For the charges related to the Headquarters Logistics Services A-76 contract, programs will be billed a share of these expenses beginning in FY 2008 ($2.5 million). This amount corresponds to the incremental budget shortfall for the Office of Management to finance these services. The Board voted to accept these charges based on the same methodologies as listed below for FY 2009. All other items discussed below begin in FY 2009 except for the shuttle bus, which will be billed to programs beginning in FY 2008. Based on the projected inflation of 3.5% annually, the Logistics Services A-76 contract will be $ 7.25 million in FY 2009 There is a potential that the funding that MA is providing in FY08 ($4.5M) for the LAI contract will also be available in FY09 less about $200K which will reduce the Program Offices burden accordingly. MA has also budgeted similar amounts in its outyear budget requests.

Building Business-line: Steve Durbin presented the findings of the Building Business Line working group which discussed the Headquarters Logistics Services A-76 contract and the Stairwell Safe Havens Project. (See handouts)

The working group proposed charging the **facilities** part ($5.32 million in FY 2008) by allocating these expenses to programs based on their square footage usage at Germantown and Forrestal, respectively. The **Property Management** LAI contractual expenses ($0.56 million in FY 2008) will be charged to programs based on the number of items each program has in the inventory of accountable property. Charges for these two items will be presented to programs on their rental agreement each year and billed to program accounts each quarter at the same time as the rent bill.

The working group proposed charging the **Transportation** ($0.49 million) and **Travel** ($0.14 million) costs to programs based on their actual usage of these services from the prior fiscal year. These charges will be billed to customers once a year in January. The Board accepted all recommendations as proposed.

The working group admitted that there were too many outstanding issues related to the **Stairwell Safe Haven Project** for the Board to decide at this meeting. The working group will be maintained for a few weeks to consider this action when the required information is available.

Administrative Services: Lang Soo-Hoo presented the findings of the Administrative Services working group which group discussed the Washington/Germantown Shuttle Bus and Courier/Messenger Service. (See Handouts)

The working group proposed charging the LAI contract expenses for operating the **copy** ($0.21 million) and **printing** ($0.28 million) business-lines, respectively, based on a prorata share program billing for the expenses for operating dedicated copiers and a prorata share of program billing for the sum of court reporting, federal register, and printing services. These charges will be allocated to programs based on actual billing from the previous fiscal year and would be billed to programs once a year in January. This will allow the respective business-lines time to collect data for the entire prior fiscal year.

The working group proposed charging the **shuttle bus** expenses ($425,000) to programs based on actual usage of the bus for the prior fiscal year based on a record of rider-ship acquired by swiping employee badges. The business will bill programs once a year in January.

The working group proposed charging the **courier/messenger** expenses ($675,000) to programs based on actual number of packages delivered for the prior fiscal year, regardless of source or destination. The business will bill programs once a year in January. The Board accepted all recommendations as proposed.

Brian Costlow acknowledged comments related to performance standards and the need to keep the Board informed of contract performance. Increased spending, transferring the responsibility for costs to the Working Capital Fund, and thereby transferring significant risk to the Fund justifies a close examination of contractor performance by paying programs.

I-MANAGE: Lesley Gasperow presented the findings of the I-MANAGE working group, which group discussed the DOE Procurement Management System, STRIPES, ($2.4 million) and the DOE accounting system, STARS/IDW ($4.5 million). (See handouts).

The working group proposed charging **STRIPES** expenses to programs based on actual number of employees in the job series 1102 (since these are the users of the system) at DOE for the prior fiscal year allocated to programs based on the landlord at field sites (383 employees) and based on direct (30 employees) and indirect (36 employees) allocations at DOE headquarters. The business will bill programs once a year in January. Doug Baptist will provide the Board with a definition of the make-up of the 1102 job series at DOE.

The working group proposed extending the current methodology for charging programs for **STARS/IDW** expenses based on budget shares of a three year rolling average. However, the Board determined that all programs should pay a minimum of $1,000, because all programs, even the smallest staff program use the DOE accounting systems. The Board accepted these recommendations as proposed.

The working group also addressed the issue of the impact on mission program salary budgets. Because the large mission programs have been impacted the greatest by recent additions to the fund, their program direction accounts are being stressed with the result that they foresee a risk to their ability to administer their programs. The Congress has recognized that joint financing of certain corporate accounts (see Audit Services below) should be an expense to **program funding.** For this reason, the working group proposes that STRIPES, STARS/IDW, Audit Services, and Internal Control expenses be financed by program accounts in the WCF similar to the budget justification for External Independent Reviews in the FY 2008 Congressional Budget Request. The Board allowed a brief discussion considering current business practices at DOE, which determined that the proposal could be effected based on current funding models used by the mission programs. The Board accepted the recommendation and instructed the Fund Manager to begin efforts to obtain Congressional approval.

Audit Services: James Simpson presented the findings of the **Audit Services** working group ($14.0 million). (See handouts). The working group proposed continuing the current practice of charging programs for actual costs from prior year audits. The programs would be billed once a year in January. It is essential to the programs that this activity continues to be financed by program funding in the WCF. The Board accepted this recommendation as proposed.

DOE Online Learning Center: Jody Hudson presented the findings of the DOE Online Learning Center working group ($1.3 million). (See handouts). The working group proposed that overhead for the OLC be charged to programs based on per capita rates. In order to be consistent with current WCF practice we will use employees' counts on board at the beginning of the fiscal year, consistent with charges for CHRIS and Payroll in the WCF. Programs will be billed once a year in January. The Board accepted this recommendation as proposed with the following requirements.

The Board requested to see the proposed funding by Office based on the per capita rates. This was proposed to be sent out within two weeks.

The current pricing policy of the WCF for this business charges programs for actual subscriptions in the year that the subscription begins. The Board asked whether it might make sense to get an enterprise license for the courses and roll that expense into the overhead expense. HR representatives indicated this information would be available within two weeks. This would then remove any impediment to experimental usage. The working group will convene at a later date to explore this issue and make a recommendation to the Board. Concerns were raised on behalf of the PMA's and NNSA about the fairness of a broad capitation charge in light of excepted variations in employee utilization of these courses. Because of these concerns the Board asked for the business-line to report usage statistics so that the Board could transition from capitation charges to usage charges as soon as is practical.

IV. The Board voted to Adjourn

Representing the Board

Chair	Howard Borgstrom	HR	Jeff Pon
HSS	Lesley Gasperow	MA	Brian Costlow
EM	Jim Simpson	NA	Teresa Tyner
NE	Susan Harlow	FE	Charles Roy
SC	Vicki Barden	PML	Jack Dodd
EI	Steve Durbin	EE	Tom Heavey

Attendees

Warren Huffer – CF
Bob Emond - CF
Ronald Mayo - CF
Tracey Whipp - SC
Lang Soo Hoo – NE
Jayne Faith – CF
Maria Jones – FE
Alan Souers - CF
Mary Anderson – MA
Amos Street – CF
Loy Hayes - EI
Helen Oxberger - MA
Dallas Woodruff - MA
Katie McCulloch – MA
Kathy Reader - MA
Janet Freimuth – HG
Tim Fox – HSS
Ellsworth Howell - MA
Ingrid Colbert – CF
Doug Baptist - MA
Kevin Hagerty – CF
Karen Tappert – NE
Rebecca Montoya – MA
Roger Seifert – BPA
Michael Fischetti – MA
Marilyn Dillon – MA
Kevin Kelley - MA
Terri Kos - NA
Willie Ingram - MA
Tanya Luckett - HR